



**Order to issue a  surety (“Aval”)  sureties (“Avale”) (see list)**

Name and address of bank  Oldenburgische Landesbank AG	<b>Name and address of applicant</b>   <b>Name and address of principal (if divergent)</b>   Contact person: Phone: _____ Fax: _____ E-Mail: _____ Our reference: _____
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<b>We instruct you to issue, respectively arrange issuance, (of) a surety (“Aval”) as per your conditions for the financial surety business (“Bedingungen für das Avalgeschäft”) according to the following details:</b>				<input type="checkbox"/> Please gather all further details from the enclosed specifications	
<b>Type of Surety („Aval“)</b>	<input type="checkbox"/> Rent Deposit	<input type="checkbox"/> Tender	<input type="checkbox"/> Advance Payment <input type="checkbox"/> Down Payment	<input type="checkbox"/> Credit Collateralisation	<input type="checkbox"/> see attachment
	<input type="checkbox"/> Contract Performance	<input type="checkbox"/> Customs and tax deferral	<input type="checkbox"/> Warranty	<input type="checkbox"/> Legal Proceedings	
	<input type="checkbox"/> Others: _____				
	<input type="checkbox"/> For International Business only:	<input type="checkbox"/> Performance	<input type="checkbox"/> Delivery	<input type="checkbox"/> Payment	
<b>Form</b>	<input type="checkbox"/> Surety (“Bürgschaft”)	<input type="checkbox"/> Surety (“Bürgschaft”) payable on first demand (please complete information in category “debit agreement”)	<input type="checkbox"/> Guarantee (generally for International Business)		<input type="checkbox"/> see attachment
<b>Wording of the surety (“Aval”)</b>	<input type="checkbox"/> Standard wording of the surety-issuing bank <input type="checkbox"/> Specified text (see attachment) <input type="checkbox"/> Others (e.g. conditions, terms, boilerplates as per attachment)				
<b>Maximum amount/ currency</b>	Amount	Currency	<input type="checkbox"/> Including interest and charges (=Maximum Amount) <input type="checkbox"/> Additional amount for interest and charges: <input type="checkbox"/> Amount increases by _____ % p.a. for interest and charges		<input type="checkbox"/> see attachment
<b>Duration</b>	<input type="checkbox"/> Unlimited	<input type="checkbox"/> Expiry date: <sup>1</sup> _____			<input type="checkbox"/> see attachment
<b>Beneficiary (name and address)</b>					<input type="checkbox"/> see attachment
<b>Debit agreement</b>	Payments to be made by the applicant in connection with this order, e.g. commissions, charges and any other expenses connected with the order or its coverage, will be debited against the applicant’s account IBAN DE  If payments which are to be made by the applicant according to the contract agreement, are due on a Saturday or Sunday or a public holiday, time of payment is deferred to the previous banking day.  In case of a claim under the surety the account IBAN DE will be debited.				

<sup>1</sup> Legal proceedings sureties (“Prozessavale”) have to be issued with unlimited duration.



# Conditions for the financial surety business (Bedingungen für das Avalgeschäft)

## 1. Direct and indirect sureties

As per applicant's instructions, the bank will issue the surety ("Aval") itself (direct surety) or arrange issuance through another bank (correspondent bank) while obligating itself towards the correspondent bank ("Zweitbank") through a counter-guarantee (indirect surety). In the absence of applicant's explicit instructions, the bank is authorized to issue an indirect surety, if such is deemed necessary under consideration of applicant's interests.

## 2. Commissions and fees

The bank will debit the surety amount ("Avalbetrag") to the applicant's surety account ("Avalkonto") immediately upon handing over the surety ("Aval") or immediately upon giving the surety-order ("Avalauftrag") along with the counter-guarantee ("Rückgarantie") to the correspondent bank ("Zweitbank") and is entitled to charge the applicant - beside miscellaneous fees and expenses - periodically with a surety-commission ("Avalprovision") for the duration of its liability.

The amount of the commission results from our schedule of prices and services ("Preis- und Leistungsverzeichnis") as far as no separate agreement has been made.

## 3. Release

Direct sureties ("direkte Avale") which are not explicitly subject to foreign law will be deleted from the surety-account ("Avalkonto") after expiry and the bank will cease to charge surety-commission ("Avalprovision"), as far as according to its wording the sureties ("Avale") expire on a certain calendar day or with presentation of documents which are foreseen for the determination of expiry and no claim has been presented to the bank beforehand.

With regard to all other direct or indirect sureties ("direkte oder indirekte Avale"), the bank will only delete the surety ("Aval") and cease the calculation of surety-commission ("Avalprovision") when the original surety deed ("Avalurkunde") will have been returned for discharge or the beneficiary, respectively the correspondent bank ("Zweitbank"), will have released the bank unconditionally and in text form of its obligation.

The bank can make the complete or partial derecognition of the surety ("Aval") as well as the end of calculation of surety-commission ("Avalprovision") dependent on beneficiary's confirmation that apart from the bank-issued surety ("Aval") no other sureties ("Avale") have been issued to secure the principal obligation on behalf of which there could exist a duty to compensate between co-sureties ("Mitbürgern").

In case of a legal proceedings surety ("Prozessaval") the beneficiary's consent for release or a valid official decree according to § 109, Passage 2 ZPO (German Code of Civil Procedure) must be attested towards the bank, if the original surety-deed ("Avalurkunde") cannot be returned to the bank.

It is the duty of the applicant to create the conditions that would allow the bank to release the surety.

## 4. Reduction

In case of reductions of the surety ("Aval") the bank will make a corresponding partial derecognition and regard this in the calculation of the surety-commission ("Avalprovision") if, under a direct surety ("direktes Aval"), the conditions of the reduction clause have been

met or the bank received beneficiary's unconditional partial release in text form or, under indirect sureties ("indirekte Avale"), the bank received an unconditional partial release in text form from the correspondent bank ("Zweitbank").

## 5. Checking of documents

The bank will carefully examine all documents required under a surety ("Aval"), including a request for payment, to determine whether the documents meet the conditions of the surety ("Aval") according to their external appearance and do not contradict one another. If documents are not presented in original but by authenticated telecommunication (S.W.I.F.T.), the bank is authorized to treat them as originals.

## 6. Notification of applicant

The bank will inform the applicant immediately upon receipt of a claim for payment.

## 7. Payment to beneficiary under a surety ("Aval")

The bank is obligated to pay the surety ("Aval"), if it received a claim from the beneficiary / the correspondent bank ("Zweitbank") complying with the terms of the surety ("Aval"), before expiry, as follows:

### a) Surety payable on first demand ("Bürgschaften auf erstes Anfordern") and guarantee ("Garantie")

The bank is required to make payment under sureties on first demand ("Bürgschaften auf erstes Anfordern") and guarantees ("Garantien") as soon as the beneficiary claims payment. Due to the special risks linked to sureties on first demand ("Bürgschaften auf erstes Anfordern") and guarantees ("Garantien") we refer to the note on risk below.

### b) Surety ("Bürgschaft")

In case of sureties without payment clause on first demand ("Bürgschaften"), the bank will consider all admissible defenses and objections, which have been furnished in text form within reasonable time from the applicant for referral to the beneficiary.

## 8. Bank's entitlement to compensation for expenses

The applicant is obligated to compensate the bank for all expenses it could reasonably deem necessary and which occurred in connection with the execution of its surety-order ("Avalauftrag"). Included are also expenses for judicial and extrajudicial prosecution, international and domestic.

This obligation to compensate also includes expenses occurring after the sum has been deleted from the surety-account ("Avalkonto") as far as a payment obligation under the surety ("Aval") is still in effect or an enforceable judgement in the country in which it was rendered exists.

## 9. Prevailing terms, law and jurisdiction

In cases of doubt the German terms in parenthesis shall prevail. This contract is subject to German law. Place of jurisdiction is Oldenburg (Lower Saxony).

### Note on risk for sureties payable on first demand ("Bürgschaften auf erstes Anfordern") and guarantees ("Garantien"):

In the case of a surety on first demand ("Bürgschaft auf erstes Anfordern") or a guarantee ("Garantie") the bank is bound to make payment as soon as it receives a claim from the beneficiary.

The bank will only reject a claim for payment, if a misuse of right to claim is apparent or conclusive evidence thereto is provided immediately after notification of the applicant.

The bank is entitled to debit the applicant's account, even if in its opinion the beneficiary's claim for payment is unjustified, if a misuse of right to claim is not apparent and no conclusive evidence could be presented to the bank.

After payment has been effected by the bank the applicant is responsible to enforce repayment of any amounts by the beneficiary directly.

Accordingly, the risk of beneficiary's unwillingness or inability (due to insolvency) to repay any sums wrongfully received, is borne by the applicant.